

## Message Text

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COME-00 INT-08 SCEM-02 AEC-11 OMB-01 TRSE-00 NEA-10

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R 311440Z JUL 73

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E.O. 11652: N/A

TAGS/ PFOR, ENRG, WB, GE

SUBJECT: GDR PIPELINE TO BERLIN

REF: A) BERLIN 1253; B) BERLIN 1206 AND 1095

1. SUMMARY: GDR REPRESENTATIVE JULY 26 IGNORED SENAT PIPELINE NEGOTIATING PROPOSALS (REF B) AND INSTEAD CALLED FOR IMMEDIATE NEGOTIATION OF AGREEMENT WITH SENAT ON NUMEROUS POINTS RE BOTH PIPELINE AND RELATED REINERY IN GDR. GDR IS PRESSING FOR FAR GREATER SENAT INVOLVEMENT IN PROJECT THAN SENAT HAD PREVIOUSLY ENVISAGED AND SEEMS TO BE TRYING TO GET SENAT COMMITTED BEFORE TECHNICAL AND COMMERCIAL DETAILS ARE EXAMINED BY INTER-ZONAL TRADE (IZT) OFFICE AND BY OIL COMPANIES. END SUMMARY.

2. GDR REP (MITDANK) REQUESTED MEETING WITH SENAT REP (KUNZE)

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JULY 26, WHICH LATTER ASSUMED WOULD BE ON VISITS, BUT WHICH

TURNED OUT TO BE LARGELY FOR PURPOSE OF DELIVERY OF LENGTHY STATEMENT ON PIPELINE QUESTION. MITDANK "OFFICIALLY CONFIRMED" READINESS OF HIS GOVT TO AGREE TO CONSTRUCTION AND OPERATION OF PIPELINE FROM SEEFELD OR SCHWEDT IN GDR TO BERLIN (WEST) FOR DELIVERY OF OIL PRODUCTS FROM REFINERY AT SCHWEDT. HE NOTED "INTERESTS OF YOUR SIDE IN SUCH A PIPELINE" AND STRESSED READINESS OF GDR TO NEGOTIATE WITH SENAT WITHOUT DELAY NUMEROUS POINTS WHICH HE ASSERTED MUST BE INCLUDED IN SENAT-GDR AGREEMENT. ALTHOUGH MITDANK REFERRED TO JULY 12 STATEMENT IN WHICH SENAT EXPRESSED READINESS TO CREATE PREREQUISITES FOR PIPELINE CONSTRUCTION, HE IGNORED REFERENCE IN THAT STATEMENT TO IZT OFFICE HAVING BEEN ASKED TO CLARIFY CONCLUSIVELY POINTS YET TO BE AGREED UPON

AS WELL AS SENAT'S EMPHASIS ON MOST ARRANGEMENTS BEING WORKED OUT BY PRIVATE FIRMS.

3. FOLLOWING WERE PROBLEMS WHICH MITDANK CALLED ON SENAT TO ADDRESS AS NEXT ORDER OF BUSINESS:

- A) BORDER CROSSING POINT (GDR IS WILLING TO CONSIDER SENAT SUGGESTION OF NIEDERNEUENDORF, WHICH WOULD BRING PIPELINE IN FROM GDR IN NORTH RATHER THAN ACROSS EAST BERLIN - WEST BERLIN BORDER);
- B) ENVIRONMENTAL PROTECTION, ACCIDENT PREVENTION, GUARANTEES;
- C) OWNERSHIP;
- D) ASSUMPTION OF RESPONSIBILITIES FOR CONCLUSION OF AN ADHERENCE TO COMMERCIAL CONTRACTS RE DELIVERY AND RECEIPT OF PRODUCTS;
- E) SENAT BINDING ASSURANCE THAT PIPELINE WITH SPECIFIED TECHNICAL CHARACTERISTICS WILL BE BUILT ON ITS TERRITORY.

4. MITDANK WENT ON NON-STOP TO PRESENT FOLLOWING TWO-PAGE DETAILED LIST OF POINTS HE SAID MUST BE COVERED BY SENAT-GDR AGREEMENTS(VEREINBARUNGEN):

- A) AGREEMENT (UEBEREINKUNFT) THAT PIPELINE WILL BE BUILT AND CONNECTED.
- B) PRECISE DETERMINATION OF BORDER POINT CONNECTION.
- C) BILATERAL GUARANTEES THAT CONNECTION OF PIPELINE IN WEST BERLIN TO GDR PIPELINE CORRESPONDS TO TECHNICAL CONDITIONS STIPULATED BY CONTRACTING ENTERPRISES.
- D) GDR PROVISION OF MAP WITHIN THREE WEEKS.
- E) CONDITIONS FOR SECURITY AND ORDER DURING CONSTRUCTION LIMITED OFFICIAL USE

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WORK.

- F) COMMUNICATIONS RELATED TO PIPELINE CONNECTION CONSTRUCTION.
- G) CONFIRMATION THAT CONTRACTING ENTERPRISES WILL ABIDE BY REGULATIONS FOR ESTABLISHMENT OF PIPELINE CONNECTION.
- H) GUARANTEES THAT PROPERTY ON GDR TERRITORY BELONGS TO GDR; PROPERTY IN BERLIN (WEST) BELONGS TO ENTERPRISES IN BERLIN (WEST); AND CONTRACTING ENTERPRISES ARE RESPONSIBLE FOR MAINTENANCE, OPERATION AND SECURITY OF GOODS ON THEIR RESPECTIVE SIDES

OF THE BORDER.

I) SENAT GUARANTEES OF:

- (1) CONSTRUCTION AND OPERATIONAL READINESS OF PIPELINE IN BERLIN (WEST) BY FOURTH QUARTER 1975.
- (2) TECHNICAL CHARACTERISTICS TO PERMIT DELIVERY OF 2 TO 2.5 MILLION TONS FUEL, INCLUDING LIGHT HEATING OIL, PER YEAR.
- (3) FURNISHING REQUIRED DETAILED DATA (ANGABEN) TO COMPETENT GDR ENTERPRISES WITH RESPECT TO PIPELINE IN BERLIN (WEST).
- (4) TECHNICAL COMPATIBILITY OF PIPELINE IN BERLIN (WEST) WITH PIPELINE IN GDR.
- (5) ESTABLISHMENT OF PIPELINE IN BERLIN (WEST) UNDER SECURITY PROVISIONS TO BE FURTHER DEFINED.

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J) GDR AND SENAT GUARANTEE OF CONCLUSION AND OBSERVANCE OF  
COMMERCIAL AND TECHNICAL AGREEMENTS (VEREINBARUNGEN) BETWEEN

CONTRACTING ENTERPRISES OF BOTH SIDES FOR CONSTRUCTION OF REFINERY AND PIPELINE, INCLUDING RELATED INSTALLATIONS IN GDR.  
K) GDR GUARANTEE OF MINIMUM CAPACITY OF REFINERY AND PIPELINE OF TWO MILLION TONS FUEL PER YEAR TO BE TRANSPORTED TO BERLIN (WEST).

1) AGREEMENT (VERSTAENDIGUNG) RE GUARANTEE OF OPERATIONAL CAPABILITY IN BERLIN (WEST) AND OR RECEIPT OF PRODUCTS FOR SPECIFIED PERIOD (GDR SUGGESTS 30 YEARS).

M) GUARANTEE BY BOTH SIDES OF CONCLUSION AND OF OBSERVANCE OF COMMERCIAL CONTRACTS FOR DELIVERY AND RECEIPT OF PRODUCTS.

N) GUARANTEE BY BOTH SIDES THAT CONTRACTING ENTERPRISES OF BOTH SIDES WILL SUPERVISE OPERATIONS AND INVESTIGATE AND ELIMINATE DISTURBANCES ON THEIR RESPECTIVE SIDES OF BORDER.

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O) ACTION TO TAKE IN EVENT OF DISTURBANCE OR ACCIDENT.

P) TRANSFER OF PRODUCTS TO CONTRACTING ENTERPRISE IN BERLIN (WEST) AT END OF PIPELINE.

Q) SENAT GUARANTEE THAT REPRESENTATIVES OF GDR ENTERPRISE CAN SATISFY THEMSELVES ON ORDERLY STORAGE OF PRODUCTS IN BERLIN (WEST), WITH PARTICIPATION OF REPRESENTATIVES OF SENAT ENTERPRISE.

R) GUARANTEE BY BOTH SIDES OF CONCLUSION AND OBSERVANCE OF AGREEMENTS (VEREINBARUNGEN) BETWEEN CONTRACTING ENTERPRISES FOR OPERATION OF INSTALLATIONS AT ENTRANCE POINT.

S) NAMING OF AUTHORITIES TO RESOLVE QUESTIONS AND CLARIFY DIFFERENCES OF OPINION.

T) AGREEMENT (VERSTAENDIGUNG) RE COMING INTO EFFECT AND DURATION (GDR SUGGESTIONS AGREEMENT BECOME EFFECTIVE ON DATE OF SIGNATURE AND HAVE DURATION OF 30 YEARS).

U) AGREEMENT (VERSTAENDIGUNG) RE EXTENSION CLAUSE.

5. KUNZE'S RESPONSE TO ALL OF ABOVE WAS LIMITED TO REFERENCE TO SENAT'S JULY 12 COMMUNICATION AND TO UNDERTAKING TO PASS ON MITDANK'S PRESENTATION.

6. COMMENT: GDR CLEARLY BELIEVES IT HOLDS HIGH CARDS ON QUESTION OF MODE OF PIPELINE NEGOTIATION. WE DO NOT SEE MUCH PROSPECT AT THIS JUNCTURE THAT GDR AUTHORITIES WILL PERMIT IZT OFFICE OR OIL COMPANIES TO MAKE SUBSTANTIVE PROGRESS ON PIPELINE WITHOUT GDR FIRST MAKING STRONG ATTEMPT TO ESTABLISH A FRAMEWORK FOR A SENAT-GDR AGREEMENT WHICH WILL SUPPORT ITS THESIS OF WEST BERLIN AS INDEPENDENT ENTITY.BORG

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## Message Attributes

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